

Message Text

CONFIDENTIAL

PAGE 01 LIMA 03313 251921Z
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C O N F I D E N T I A L LIMA 3313

E.O. 11652: GDS
TAGS: ELAB, PE
SUBJECT: AIFLD - NEW PROPOSAL

REF: STATE 82738

1. AIFLD'S PAUL RUSSILLO ACCOMPANIED BY LABATT MET WITH LABOR MINISTRY OFFICIALS (SUPERIOR DIRECTOR AND LEGAL ADVISOR) APRIL 15 AND APRIL 19. OFFICIALS CLARIFIED GOP "SUGGESTIONS" FOR USG-SUPPORTED ASSISTANCE IN THE LABOR AREA. OFFICIAL PREFACED REMARK WITH COMMENT THAT LABOR MINISTER GALINDO IS IN FAVOR OF A POLITICALLY ACCEPTABLE USG SUPPORTED LABOR PROGRAM AND HE HOPED THESE CONVERSATIONS WOULD LEAD TO IT. UPON REFLECTION, OFFICIALS SAID THEY FELT THAT THE "LOCAL FOUNDATION" APPROACH WOULD BE COMPLICATED AND POLITICALLY QUESTIONABLE (PERUVIAN SPONSORSHIP WOULD APPEAR TO BE A MERE COVER FOR A U.S. OPERATION). A DIRECT AIFLD PRESENCE WAS CONSIDERED POLITICALLY COUNTER-PRODUCTIVE AND, THEREFORE, UNACCEPTABLE, AS WAS RUSSILLO'S SUGGESTION THAT THE AFL-CIO OPEN A LIMA OFFICE.

2. LABOR MINISTRY OFFICIALS FELT THAT THE ESTABLISHMENT OF A "PERUVIAN BRANCH" OF A U.S. FOUNDATION MIGHT BE FEASIBLE AND COULD BE COMPARED WITH GERMAN FOUNDATIONS, THE FORD FOUNDATION AND OTHERS, THEREBY BEING BETTER ABLE TO WITHSTAND POLITICAL ATTACK. THE EMBASSY AND RUSSILLO DETERMINED THAT TESES FOUNDATIONS ARE ESTABLISHED IN PERU AS "ORGANIZATION OF INTERNATIONAL TECHNICAL
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 LIMA 03313 251921Z

COOPERATION" REQUIRING APPROVAL OR CLEARANCE FROM THE FOREIGN MINISTRY, MINISTRIES UNDER WHICH THE ACTIVITY FALLS (IN THIS CASE LABOR AND POSSIBLY EDUCATION) AND THE NATIONAL PLANNING INSTITUTE, BEFORE THEY ARE REGISTERED. SHOULD AIFLD DECIDE TO PURSUE THIS APPROACH, THE OFFICIALS PROPOSE AN INFORMAL MEETING BETWEEN THE AMBASSADOR AND THE LABOR MINISTER TO SECURE AN ORAL GOP GO-AHEAD. DEPENDING UPON THE DEGREE OF GOP ENTHUSIASM OVER

THE PROPOSAL, THE LABOR MINISTER MIGHT AGREE TO CONSULT INFORMALLY WITH THE FOREIGN MINISTER AND OTHER MINISTERS INVOLVED IN ORDER TO HELP ALONG THE CLEARANCE PROCESS. FOR THIS PURPOSE AIFLD SHOULD PROVIDE THE EMBASSY WITH A SUCCINCT FOUNDATION DESCRIPTION, I.E. OBJECTIVES, PROGRAMS, AND ORGANIZATIONS INCLUDING DESIGNATION BY POSITION OF THE BOARD OF DIRECTORS AND THE EXECUTIVE COMMITTEE.

3. BASED ON THE DEPARTMENT'S DESIRE TO SEE ORIT PARTICIPATE OR ASSUME RESPONSIBILITY FOR RESEARCH ACTIVITY AND ASSUMING THAT AIFLD WOULD APPRECIATE THE MERITS OF SUCH ORIT PARTICIPATION, LABATT QUERIED LABOR MINISTRY OFFICIALS CONCERNING POSSIBLE ORIT DIRECTION FOR THE LABOR CENTER. THE OFFICIALS IMMEDIATELY SAW THE POLITICAL ADVANTAGE OF NO DIRECT USG OR GOP INVOLVEMENT. ORIT, THEY SAID, WHILE POLITICALQ CONTROVERSIAL IS A LEGITIMATE HEMISPHERIC LABOR ORGANIZATION WITH AS MUCH RIGHT TO A PRESENCE IN PERU AS THE CHRISTIAN DEMOCRATIC ORGANIZATION, CLAT, WHICH MAINTAINS AN OFFICE HERE. OFFICIALS ALSO APPRECIATED THE ORIT OBJECTIVE OF STRENGTHENING FREE TRADE UNIONS (THAT THE APRA-LINKED ORIT WOULD BE ACCEPTABLE TO THE GOP EVIDENCES THE EXTENT OF THE GOP POLITICAL SHIFT SINCE JULY 1976). IN SUM, LABOR MINISTRY DIRECTOR SUPERIOR STATED THAT HE WAS CONVINCED THAT THE GOP "WOULD NOT OPPOSE" AN ORIT RESEARCH CENTER IN LIMA. HE ASKED THAT MR. RUSSILLO DETERMINE IF AIFLD IS PREPARED TO SUPPORT THE ORIT CENTER AS AN ALTERNATIVE TO A FOUNDATION. IF SO, THE TWO GOVERNMENTS WOULD NO LONGER BE AS DIRECTLY INVOLVED. THE LABOR MINISTRY ADVISES THAT THE ORIT CENTER MIGHT BE ESTABLISHED FOLLOWING A COURTESY CALL OF THE ORIT SEC GEN ON THE LABOR MINISTER. HOWEVER, WE BELIEVE THAT ORIT MAY NEED SOME FORM OF WRITTEN CONFIDENTIAL

CONFIDENTIAL

PAGE 03 LIMA 03313 251921Z

UNDERSTANDING IN ORDER TO QUALIFY FOR PRIVILEGES, SUCH AS DUTY-FREE IMPORT, ETC. NORMALLY GRANTED INTERNATIONAL ORGANIZATIONS. THIS PROBLEM COULD BE ACUTE IN PERSONAL CASE OF RUSSILLO WHO WOULD NOT BE COVERED UNDER USG BILATERAL IN ABSENCE OF WRITTEN UNDERSTANDING BETWEEN USG AND GOP. WE WILL EXPLORE THIS FURTHER IF AIFLD OPTS FOR ORIT APPROACH.

4. ADDITIONAL EMBASSY COMMENTS ON THE REVISED AIFLD PROPOSAL (COUNTRY LABOR PLAN) FOLLOW:

A. WE AGREE WITH THE DEPARTMENT THAT ANY TRAINING SHOULD BE HIGH LEVEL ONLY. THIS IS FOR BOTH POLITICAL AND INTERNAL PROGRAM REASONS.

B. THE AIFLD-ORGANIZED FOUNDATION SHOULD MINIMIZE ITS CONNECTION WITH THE CTP OR ANY CONFEDERATION IN ORDER TO MEET GOP CONCERNS. UNIVERSITY TIES SHOULD BE MAXIMIZED. THE AIFLD PROPOSAL DOES NOT YET DO THAT.

C. THE AIFLD COUNTRY LABOR PLAN CONTINUES TO STRESS THE

ORGANIZATIONAL OBJECTIVES OF THE FOUNDATION OR CENTER, I.E., TEN UNIONS REAFFILIATED TO THE CTP BY 1978. THIS OBJECTIVE APPEARS INCONSISTENT WITH THE PRESENTATION OF FOUNDATION OBJECTIVES (PRIMARILY RESEARCH ACTIVITY) MADE TO THE GOP.

D. THE ESTABLISHMENT OF A COLLECTIVE BARGAINING COMMITTEE "TO COORDINATE THE COLLECTIVE BARGAINING NEEDS OF DEMOCRATICALLY-ORIENTED UNIONS" ALSO APPEARS INCONSISTENT WITH THE RESEARCH FOUNDATION APPROACH. THIS CONCEPT SHOULD BE CLARIFIED. SUCH A COMMITTEE SHOULD NOT BE SET UP IF THE GOP IS UNAWARE OF IT.

E. LABOR MINISTRY OFFICIALS CONTINUE TO STRESS THE DESIGNATION OF A PERUVIAN DIRECTOR OR CO-DIRECTOR. THEY HAVE NO PROBLEM, HOWEVER, WITH A US "ADVISOR".

F. THE BUDGET REMAINS HIGH. THE EMBASSY FEELS THAT \$50,000 U.S. SHOULD BE SUFFICIENT FOR 1977. THE 1978
CONFIDENTIAL

CONFIDENTIAL

PAGE 04 LIMA 03313 251921Z

AND 1979 BUDGETS SHOULD BE REDUCED SUBSTANTIALLY.

5. THE EMBASSY CONCLUDES THAT THE ORIT APPROACH IS LESS COMPLICATED AND LESS LIKELY TO CREATE POLITICAL DIFFICULTIES FOR A GOP IN FAVOR OF A U.S. LABOR PROGRAM BUT APPREHENSIVE ABOUT LEFTIST POLITICAL ATTACKS. FINALLY, THE ORIT APPROACH APPEARS BETTER ABLE TO ACHIEVE THE BASIC AIFLD/USG OBJECTIVE OF STRENGTHENING FREE TRADE UNIONS.

6. ACTION REQUESTED: PLEASE COMMUNICATE TO EMBASSY THE AIFLD DECISION REGARDING THE ORIT VS. FOUNDATION APPROACH. IF IT IS ORIT WE WILL ASK FOR "UNOFFICIAL" BUT DEFINITE GOP RESPONSE, AFTER WHICH ORIT CAN CARRY THE BALL. IF IT IS A U.S.-BASED FOUNDATION WE WILL BE INTERESTED IN DETAILS AS BASIS FOR APPROACH TO GOP. IN THAT CASE AN AIFLD REPRESENTATIVE NEED NOT RETURN TO LIMA UNTIL THE LABOR MINISTER HAS GIVEN THE AMBASSADOR ORAL ASSURANCES OF GOP APPROVAL. LANE

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